

NEW BASIC STAR INCOME CAP OF \$500,000

The BASIC STAR School tax relief exemption now has a personal income cap of \$500,000 for the 2011/12 property tax year (Dec 1, 2011 thru Nov 30, 2012). With this State legislative change, the **NY STATE DEPARTMENT OF TAXATION AND FINANCE** will identify those parcels Statewide with an "affiliated income" of over \$500,000 who are also receiving the STAR exemption.

The term "**affiliated income**" is defined as the combined income of the primary resident owner(s) as well as their non-owner resident spouse(s); and income is Federal Adjusted Gross less any taxable IRA distributions. For the first year (2011) of the new requirement, the income tax year will be 2009, and for each subsequent property tax year, the income tax year will be advanced by one year.

According to **NY STATE**, they will identify and list three categories of BASIC STAR recipients and inform the Assessors Office of each:

- N** • **NOT QUALIFIED:** **NY STATE** has determined that the property owners income is over their \$500,000 limit and has directed the Assessors Office to remove the STAR exemption & send a denial letter to the homeowners.
- U** • **UNDETERMINED:** **NY STATE** could not determine income eligibility of property owners and has directed the Assessors Office to investigate by mailing a NY STATE form to collect social security numbers from the eligible homeowners & spouses.
- Y** • **YES:** **NY STATE** has qualified the property as eligible and no further action is necessary by the Assessors Office.

ANY HOMEOWNER WHO BELIEVES THE NY STATE DETERMINATION IS INCORRECT MAY CHALLENGE THIS DECISION BY FILING A STATE FORM (RP-425-BV) with the Assessors Office who will supply their social security numbers with NY STATE.

2010 amendment to the New York State Real Property Tax Law, Section 425(3)(b-1):

Income. For final assessment rolls to be used for the levy of taxes for the two thousand eleven-two thousand twelve school year and thereafter, the parcel's affiliated income may be no greater than five hundred thousand dollars, as determined by the commissioner of taxation and finance pursuant to section one hundred seventy-one-u of the tax law, in order to be eligible for the basic exemption authorized by this section. As used herein, the term "affiliated income" shall mean the combined income of all the owners of the parcel who resided primarily thereon on the applicable taxable status date, and of any owner's spouses residing primarily thereon. For exemptions on final assessment rolls to be used for the levy of taxes for the two thousand eleven-two thousand twelve school year, affiliated income shall be determined based upon the parties' incomes for the income tax year ending in two thousand nine. In each subsequent school year, the applicable income tax year shall be advanced by one year. The term "income" as used herein shall have the same meaning as in subdivision four of this section.

It is important to understand this change in NY State law was a directive of the NY State Legislature and former State Governor. The Town of Huntington had no input or involvement in this decision, but is mandated by NY State to implement this new measure.

STAR SCHOOL PROPERTY TAX EXEMPTION
(General Info)

“**STAR**” stands for **School Tax Relief**, as the savings reduce only the “school portion of the property tax bill. STAR is unique to other exemptions, as school districts are reimbursed for these homeowner savings by the **NY STATE DEPARTMENT OF TAXATION AND FINANCE**. There are two types of STAR: BASIC STAR & Enhanced STAR.

For **BASIC STAR**, the property must be the primary residence of at least one owner and must be a one, two or three family residence, condo, townhouse or co-op. BASIC STAR has no age requirement and does not require annual renewal. Beginning in 2011, BASIC STAR now has a new income cap of \$500,000 (turn over for more info).

To receive the added savings of **Enhanced STAR**, applicants must also supply age and income documentation as all owners must be 65 years of age by the following December 31 (with the exception of husband & wife or sibling co-owners, only one owner needs to be 65), and their household income cannot exceed \$79,050 (this ceiling usually increases from year to year).

Using the most current data available (2010/11), the individual **SCHOOL TAX SAVINGS** in the Town of Huntington (which varies depending on local school district tax rates) is **ESTIMATED** as follows:

	<u>BASIC STAR</u>	<u>ENHANCED STAR</u>
Elwood #1	\$ 1094.92	\$ 2189.84
Cold Spring Harbor #2	\$ 969.20	\$ 1938.40
Huntington #3	\$ 1043.84	\$ 2087.68
Northport #4	\$ 828.28	\$ 1656.57
Half Hollow Hills #5	\$ 880.88	\$ 1761.76
Harborfields #6	\$ 1080.41	\$ 2160.82
Commack #10	\$ 1172.41	\$ 2344.82
South Huntington #13	\$ 1088.76	\$ 2177.52

THE DEADLINE TO FILE YOUR APPLICATION WITH THE TOWN IS:
MARCH 1 (“Taxable Status Date”)

**ASSESSORS OFFICE
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HUNTINGTON NY 11743
(631) 351-3308 (PHONE)
(631) 425-0128 (FAX)**

**FOR MORE INFO ON STAR
WWW.ORPS.STATE.NY.US**